

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Proposed Modification of Millard Trust

Date: November 4, 2002

Recommended Action:

Authorize the Executive Director to request the Office of the Attorney General to seek a change in the spending authority of Iowa Braille and Sight Saving School pursuant to the terms and conditions of the Millard Trust (Trust).

Executive Summary:

School seeks to ease restrictions of Millard Trust

The School received a gift of \$46,804.58 from the estate of Ella Millard in 1977. The gift, held in trust with restrictions on expenditure since that time, has grown to approximately \$385,000. The School seeks to have some of the restrictions modified so that proceeds of the Trust can be spent to benefit students of the School.

Background:

Gift received in 1977

- In October 1977 the School received \$46,804.58 as one half of the proceeds of the estate of Ella Millard of Lake View, Iowa.

Court set limits on expenditures

- The Sac County District Court (Court) determined that the School could spend not more than \$1,000 of Trust proceeds in any year without approval of the Court.

Expenditures must directly benefit students

- The Court determined that the proceeds could be spent only on non-recurring expenses and that the expenditures had to benefit students directly.

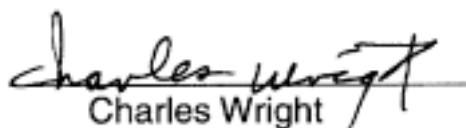
Standard established by Court for expenditures

- The Court identified three examples of expenditures that would meet its standard, as follows:
 - Consultation and specialist expenses providing services to students or in-service training for staff;
 - Specialized equipment specifically purchased for the care of blind children;
 - Renovations or improvements to the facility that would directly improve the learning potential for students.

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| Trust not being used | <ul style="list-style-type: none">• The School has not used proceeds from the Trust because of the necessity to limit expenditures to \$1,000 per year and because of the requirement that any expenditures above that amount be approved by the Court. |
| School seeks modification of Trust limits | <ul style="list-style-type: none">• The School would like to have the conditions placed on the Trust by the Court modified, and to identify a spending plan for approximately \$10,000 per year, such expenditures meeting the standard of the Trust approved by the Court. |
| Attorney General asked to represent School | <ul style="list-style-type: none">• The School seeks to have the Executive Director request the services of the Office of the Attorney General for this purpose. |

Analysis:

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| Trust not being used | <ul style="list-style-type: none">• The School has not been using the Trust to provide benefit to its students as provided by the bequest. |
| School wants to use Trust | <ul style="list-style-type: none">• The School's proposal would begin to use the Trust for its intended purpose and benefit students. |
| Attorney General asked to seek modification of Trust | <ul style="list-style-type: none">• Therefore, the Board Office concurs with the recommendation of the Superintendent to seek modification of the current Trust restrictions. |


Charles Wright

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Approved: 
Gregory S. Nichols